Canadian Artists and Producers Professional Relations Tribunal

Performance Report

For the period ending
March 31, 2008

The Honourable Rona Ambrose
Minister of Labour

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SECTION I – OVERVIEW

Chairperson's Message

I am pleased to present to Parliament and Canadians the *Departmental Performance Report* of the Canadian Artists and Producers Professional Relations Tribunal for the fiscal year ending March 31, 2008.

The Canadian Artists and Producers Professional Relations Tribunal administers a collective bargaining regime for professional self-employed artists and producers in federal jurisdiction. Under Part II of the *Status of the Artist Act*, the Tribunal defines sectors of artistic and cultural activity for collective bargaining, certifies artists' associations to represent artists working in those sectors, and deals with complaints of unfair labour practices and other matters brought forward by parties under the *Act*.

Parliament passed the *Status of the Artist Act* in 1992 as part of a commitment to recognize and stimulate the contribution of the arts to the cultural, social, economic and political enrichment of the country. The *Act* reflects the recognition that constructive professional relations in the arts and culture sector are an important element of a vibrant Canadian culture and heritage.

Since its inception, the Tribunal has defined 26 sectors of artistic activity and certified 24 artists' associations to represent them. Certified artists' associations have concluded over 150 scale agreements with producers, including government producers and specialty television services, since their certification. Over 20 percent of these are the first agreements that the parties have ever concluded.

While the Tribunal continues to make progress towards its strategic outcome of constructive professional relations between self-employed artists and producers in its jurisdiction, recent developments have challenged the Tribunal to shift the focus of its work to include a greater emphasis on outreach to its clients and on research to support Tribunal decisions.

Broadcasting, one of the principal areas of the Tribunal's jurisdiction, is undergoing dramatic transformations – mergers, changes of ownership, new technologies, and the disruption of traditional business models – and these will have a significant impact on the work of the Tribunal. The complexity of the new digital media environment presents artists, artists' association and broadcasters with unprecedented challenges related to certification and negotiation. The Tribunal needs to understand and monitor closely these developments to ensure that labour law principles and the Tribunal's own precedents are applied appropriately.

Much of the work of the Tribunal until recently focused on certification. Most sectors are now defined, and artists' associations are certified to represent them. The work of the Tribunal is now more related to dealing with complaints and determinations, changes in

the definition of sectors and in representation, and assisting parties in the bargaining process.

The Tribunal has a single strategic outcome: constructive professional relations between self-employed artists and producers under its jurisdiction. To realize this strategic outcome fully, the Tribunal needs to ensure that the *Act* is widely known and well understood, and that its services are understood and known by the client community to be readily available. Accordingly, for this year and the immediate future the Tribunal has focused its efforts on fully informing and assisting artists, artists' associations, and producers of their rights and responsibilities under the *Act* and of the services that the Tribunal can make available to them.

I was appointed as Chairperson of the Tribunal on June 25, 2008, for a five-year term. I look forward to leading the Tribunal, and am committed to making it better known and understood among artists, artists' associations and producers, as well as making sure that the Tribunal has all the tools it needs to achieve the purpose for which it was created. The Tribunal's outreach role, and the careful disposition of matters brought before it, will help to promote productive professional relations in the cultural sector, and contribute to a thriving Canadian culture.

Management Representation Statement

I submit for tabling in Parliament, the 2007–2008 Performance Report for the Canadian Artists and Producers Professional Relations Tribunal.

This document has been prepared based on the reporting principles contained in the *Guide for the Preparation of Part III of the 2007–2008 Estimates: Reports on Plans and Priorities and Departmental Performance Reports*:

- It adheres to the specific reporting requirements outlined in the Treasury Board Secretariat guidance;
- It is based on the Tribunal's approved Strategic Outcome and Program Activity Architecture that were approved by the Treasury Board;
- It presents consistent, comprehensive, balanced and reliable information;
- It provides a basis of accountability for the results achieved with the resources and authorities entrusted to it; and
- It reports finances based on approved numbers from the Estimates and the Public Accounts of Canada.

Sébastien Dhavernas
Chairperson and Chief Executive Officer
August 29, 2008

Summary Information

Reason for existence

Parliament created the Canadian Artists and Producers Professional Relations Tribunal to administer Part II of the *Status of the Artist Act*, which governs professional relations between self-employed artists and producers in federal jurisdiction. The Tribunal defines sectors appropriate for collective bargaining, certifies artists' associations to represent self-employed artists working in those sectors, and deals with complaints of unfair labour practices from artists, artists' associations and producers. The Tribunal's fulfilment of its mandate contributes to the development of constructive labour relations between artists and producers.

Financial Resources ($ thousands)

	2007-2008	
Planned Spending	Total Authorities	Actual Spending
1,940	1,996	1,055

Human Resources

	2007-2008	
Planned	Actual	Difference
10	10	0

Tribunal Priorities

Name	Type	Performance Status
1. High quality processing of cases	1. Ongoing	Successfully met
2. Fully inform and assist clients	2. Ongoing	Successfully met

			2007-2008 ($ thousands)	
Status on Performance			Planned Spending	Actual Spending
Strategic Outcome: Constructive professional relations between artists and producers in the Tribunal's jurisdiction.				
Priority No. 1	High quality processing of cases	Met	1,240	740
Priority No. 2	Fully informed and assisted clients	Met	700	315

Program Activities by Strategic Outcome

Program Activity	Expected Results	Performance Status	2007-2008 Planned Spending ($ millions)	2007-2008 Actual Spending ($ millions)	Contributes to the following priority
Strategic Outcome: Constructive professional relations between artists and producers in the Tribunal's jurisdiction.					
Processing of cases	High quality service, with clients fully informed and assisted	Successfully met	1.2	0.7	Priorities 1 & 2
Corporate services	Case processing supported	Successfully met	0.7	0.3	Priorities 1 & 2

Summary of Tribunal Performance

Overall Performance

The Tribunal has a single strategic outcome, constructive professional relations between self-employed artists and producers under its jurisdiction. Its program activities – processing of cases and the corporate services required to support the Tribunal – both contribute to this strategic outcome. Its overall performance is equivalent to its "performance by strategic outcome," reported in Section II. As will be seen in Section II, the Tribunal continues to make progress in achieving its strategic outcome.

Mandate, role and responsibilities

The Canadian Artists and Producers Professional Relations Tribunal is an independent, quasi-judicial agency that administers Part II of the *Status of the Artist Act*, which governs professional relations between self-employed artists and federally regulated producers. The Tribunal reports to Parliament through the Minister of Labour. The Minister of Canadian Heritage also has responsibilities pursuant to Part II of the *Act*.

Labour relations between the vast majority of workers and employers in Canada fall under provincial jurisdiction. The federal government has jurisdiction over labour relations in a small number of sectors, including broadcasting, telecommunications, banking, interprovincial transportation, and federal government institutions. The Tribunal is one of four federal agencies that regulate labour relations. The other three are the Canada Industrial Relations Board, which deals with labour relations between private sector employers in federal jurisdiction and their employees, the Public Service Labour Relations Board, which deals with labour relations between federal government

institutions and their employees, and the Public Service Staffing Tribunal, which deals with complaints from federal public service employees related to internal appointments and lay-offs.

The Tribunal's jurisdiction over producers is set out in the *Status of the Artist Act*, and covers broadcasting undertakings under the jurisdiction of the Canadian Radio-television and Telecommunications Commission, federal government departments, and the majority of federal agencies and Crown corporations (such as the National Film Board and the national museums).

The Tribunal's jurisdiction over self-employed artists is also set out in the *Status of the Artist Act*, and includes artists covered by the *Copyright Act* (such as writers, photographers, and music composers), performers (such as actors, musicians, and singers), directors, and other professionals who contribute to the creation of a production, such as those doing camera work, lighting and costume design.

The Tribunal has the following statutory responsibilities:

- To define the sectors of cultural activity suitable for collective bargaining between artists' associations and producers,
- To certify artists' associations to represent self-employed artists working in these sectors, and
- To deal with complaints of unfair labour practices and other matters brought forward by artists, artists' associations, and producers, and prescribe appropriate remedies.

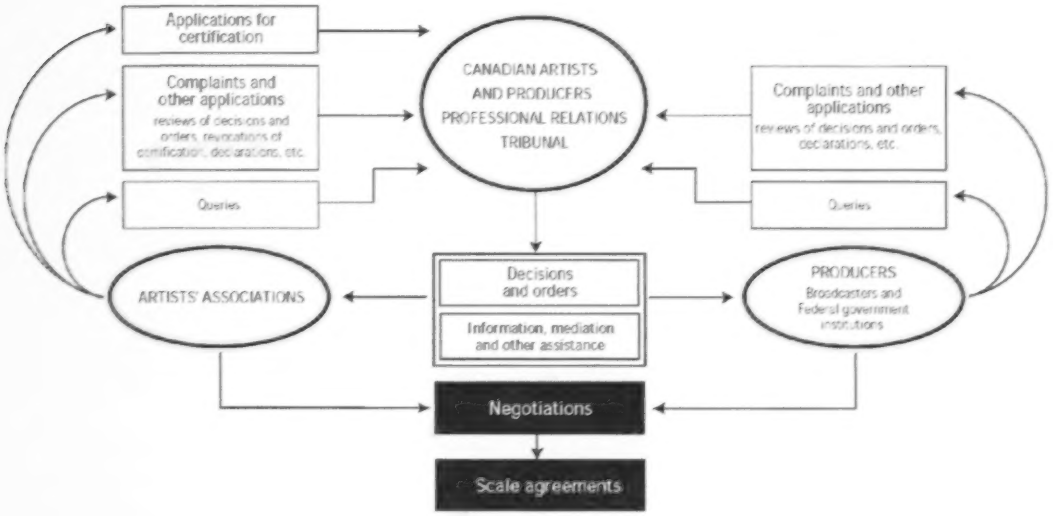
Artists' associations certified under the *Status of the Artist Act* have the exclusive right to negotiate *scale agreements* with producers. A scale agreement specifies the minimum terms and conditions under which producers engage the services of, or commission a work from, a self-employed artist in a specified sector, as well as other related matters.

The *Status of the Artist Act* and the Tribunal's statutory responsibilities, professional category regulations, decisions, and reports to Parliament and central agencies can be found on the Tribunal's Web site at www.capprt-tcrpap.gc.ca.

Figure 1 illustrates the Tribunal's responsibilities and the key processes under the *Status of the Artist Act*, Part II.

Figure 1. Tribunal Responsibilities and Key Processes

STATUS OF THE ARTIST ACT



Operating Environment and Context

The economics of artistic endeavour

Culture and the arts contribute significantly to Canada's economy. According to a 2008 analysis[1] by the Conference Board of Canada, the cultural sector generated about $46 billion in real value-added gross domestic product (GDP) in 2007. This constituted 3.8 per cent of Canada's real GDP. The cultural sector also created 616,000 jobs.

The context for the *Status of the Artist Act*

Moreover, the arts and cultural industries enhance economic performance more generally and act, in the words of the Conference Board, as "a catalyst of prosperity," attracting talent and spurring creativity across all sectors of the economy. The Conference Board analysis found that when the effects on other sectors of the economy were considered, the economic footprint of the arts and cultural industries amounted to about $84.6 billion in 2007, or 7.4 per cent of total real GDP, and contributed 1.1 million jobs to the economy.

The earnings of Canadian artists, however, do not reflect their contributions to the country. According to Statistics Canada, artists' average income rose 26 percent from 1991 to 2001. Yet that increase only brought their average income to $23,500, still well below the average for all workers in Canada ($31,800), despite the higher than average level of education of artists.

[1] Conference Board of Canada, *Valuing Culture: Measuring and Understanding Canada's Creative Economy* (forthcoming – August 2008)

Besides having lower earnings, many artists are self-employed, and thus do not have the advantages enjoyed by employees, such as employment insurance, training benefits and pension funds. For example, according to the 2001 census, almost 70 percent of visual artists and close to 50 percent of writers and craftspersons work as independent entrepreneurs. An estimated 100,000 self-employed artists fall under the Tribunal's jurisdiction.[2]

The federal government has various institutions, programs and policies to recognize and support artists and producers. The *Status of the Artist Act* and the Tribunal are part of the federal support system for Canadian arts and culture.

Limitations of the Status of the Artist Act

Patchwork protection

The impact of the *Act* is limited, however, by its application to a small jurisdiction. Most work in the cultural sector, including the bulk of film and television production, sound recording, art exhibitions, theatrical production and book publishing, falls under the jurisdiction of the provinces. To date, Quebec is the only province with legislation granting collective bargaining rights to self-employed artists. The need for provincial legislation was recognized by the Standing Committee on Canadian Heritage in its ninth report in 1999, and by the Department of Canadian Heritage in its 2002 evaluation[3] of the provisions and operations of the *Status of the Artist Act*. The Tribunal supports the adoption of collective bargaining legislation for self-employed artists, and will continue to provide information to policy makers and others interested in the benefits of such legislation.

Federal government institutions as producers

The *Act*'s effectiveness is also limited because few federal government institutions – one of the class of producers covered by the *Act* – have entered into scale agreements with artists' associations. Artists' associations are typically hard-pressed for time and resources, and they would rather negotiate with producers' associations than with individual producers. Similarly, many government producers would prefer to designate one department as their lead negotiator. One of the recommendations from the Department of Canadian Heritage's 2002 evaluation report was that the government consider establishing a single bargaining authority for all departments. The Tribunal supports this recommendation, as it would facilitate the bargaining process and make it more cost-effective.

The challenge of operating a small federal agency

Value for money and accountability

Its specific legislation and unique stakeholder base aside, the Tribunal is like any other federal government department: it must exercise care and restraint in the spending of public funds, and provide Parliament and Canadians with transparent and accountable reporting. At its creation in

[2] Sources: Hill Strategies Research, September 2004: Statistical Profile of Artists in Canada; Hill Strategies Research, March 2005: Arts Research Monitor

[3] Available on the Internet at: www.pch.gc.ca/progs/em-cr/eval/2002/2002_25/tdm_e.cfm

1993, the Tribunal adopted efficient business practices, with clear statements of objectives, high standards for service delivery, a comprehensive performance measurement framework, and transparent reporting on its activities and results. Its management team embraced this framework at its inception and has been guided by it as it evolves.

As a very small agency, the Tribunal faces a particular operating challenge, with its small staff responsible for a myriad of tasks. This is compounded by the fact that the workload is unpredictable and changing, since parties themselves decide whether to bring cases to the Tribunal. To meet these particular challenges, the Tribunal follows flexible practices such as contracting-out and sharing of accommodation, as described in Section II under Financial Management and Leadership.

SECTION II – ANALYSIS OF PROGRAM ACTIVITIES BY STRATEGIC OUTCOME

Strategic Outcome: Constructive professional relations between artists and producers

Part II of the *Act*, and the collective bargaining regime set up under it, are intended to encourage constructive professional relations between artists and producers in federal jurisdiction. This is the sole strategic outcome under the Tribunal's Program Activity Architecture approved by Treasury Board for 2007-2008.

During fiscal 2007-2008, the Tribunal pursued two priorities in order to achieve this strategic outcome. It continued to focus on dealing with requests under the legislation with prompt and high quality service, and it strengthened its focus on fully informing and assisting clients.

The performance measurement framework for these priorities matches that presented in the Tribunal's *Report on Plans and Priorities* for 2007-2008. The performance results are reported below and shown in Tables A, B and C.

Priority 1: High-quality service

The level of case activity in 2007-2008 was similar to that in 2006-2007. The Tribunal made final decisions in 2 cases (one of which was resolved without a hearing) and made 3 interim decisions. At year's end, one case was pending. Details on the cases are presented in the Tribunal's annual report for 2007-2008 and its *Information Bulletins*, all available on the Tribunal's Web site at www.capprt-tcrpap.gc.ca.

As set out in the 2007-2008 *Report on Plans and Priorities*, our performance measurement framework looks at promptness and quality of service.

Promptness refers to the time elapsed after a hearing to issue a decision, and the total time required to process applications.

In the one case for which it held a hearing before issuing its final decision, the Tribunal took 11 days to issue its decision after the hearing, well within its target of 60. For the average time required to process applications, the Tribunal fell short of its target, although the time was consistent with the average for the preceding 10 years.[4] These results are set out in Table A.

[4] Falling short of the target both in the reporting year and on average over the preceding ten years might suggest that the target needs to be revised. The ten-year average, however, is skewed by three years in which average times were very high; in seven of the ten years, the average time to process cases was well below the target. We think that 200 days is a reasonable target to aim for, bearing in mind that the time required to process a case does not depend solely on the Tribunal, but also on the parties before it.

Table A — Prompt processing of cases

Indicator	*Target*	*Results 2007-2008*	*Average 1997-1998 to 2006-2007*
Average time to issue reasons for a decision after the hearing in all cases	Maximum of 60 calendar days	11 days	50 days
Average time to process all cases (from the date of receipt of the completed application to the date of the decision)	Maximum of 200 calendar days	252 days	250 days

Quality in processing of cases refers to the work of staff, in preparing cases and providing legal advice, and in issuing decisions.

The indicator that has been used is the proportion of Tribunal decisions that are upheld under judicial review. Pursuant to the *Status of the Artist Act*, a party may, under specific circumstances, challenge a Tribunal decision by requesting a judicial review by the Federal Court of Appeal.[5]

As indicated in Table B, the Tribunal has met its objectives for this indicator. To date, only three of the Tribunal's 86 interim and final decisions have been challenged in this manner. Two requests for judicial review were dismissed by the Federal Court of Appeal, one in 1998-1999 and one in 2004-2005. The third request was withdrawn.

Table B — High-quality processing of cases

Indicator	*Target*	*1996-2008*
Percentage of applications for judicial review that have been granted	Less than 50 percent	0 percent

In the *Report on Plans and Priorities* for 2007-2008, the Tribunal committed to maintaining and strengthening its research function to support decision-making. This is a priority for the Tribunal because it deals continually with new issues, and its jurisprudence is largely innovative, requiring a strong research capacity to ensure that decisions are fair and reflect the realities of the client community. Tribunal staff continued developing research resources over the course of the fiscal year, meeting with producers and artists' associations and attending industry conferences, and facilitated

[5] The Tribunal acknowledges that this indicator is not ideal. A party's choice to seek or not to seek judicial review may be unrelated to the quality of the Tribunal's decision. Moreover, the grounds for judicial review of a Tribunal decision are limited. The Federal Court of Appeal does not assess the correctness of the Tribunal's decisions; it will intervene only if the Tribunal has:

- Acted without or beyond its jurisdiction, or refused to exercise its jurisdiction;
- Failed to observe a principle of natural justice, procedural fairness or other procedure that it is required by law to observe; or
- Acted, or failed to act, by reason of fraud or perjured evidence.

Several labour boards and other administrative tribunals monitor and report on this statistic. Most have not established a target to achieve in this regard, and they do not relate this reporting to any evaluation of the quality of their work. The Tribunal will continue to look for alternatives to this indicator.

information and training sessions for Tribunal members on developments in broadcasting and labour relations. The Tribunal's case management database was further developed and refined over the course of the year.

Priority 2: Clients fully informed and assisted

The Tribunal has a duty to ensure that artists, artists' associations and producers are fully aware of their rights and responsibilities under the *Status of the Artist Act*. For parties to benefit from the *Act*, for negotiations to take place and for the long-term objectives of the *Act* to be realized, the parties must fully understand the legislation.

This priority has always been treated seriously, but its importance has become more pronounced recently, and it was an area of focus in 2007-2008. The Tribunal recognizes that it needs to improve its relationship with artists' associations and producers, especially in view of the potential impact on the work of the Tribunal of current developments in broadcasting and new media. Broadcasting is one of the principal areas of the Tribunal's jurisdiction, and the challenges of transformations in the broadcasting industry – mergers, changes of ownership, new technologies, and the weakening of traditional business models – for artists' associations and broadcasters require new efforts from the Tribunal to facilitate certification and negotiation under the *Act*.

In its *Report on Plans and Priorities* for 2007-2008, the Tribunal committed to reorienting its communications activities and products, to emphasize information on how to do business with the Tribunal and on rights and obligations under the *Status of the Artist Act*. Following on this commitment, the Tribunal continued revising its information on its Web site, which received 42,507 hits during 2007-2008. Its information bulletin released in March 2008 provided information about developments at the Tribunal, a summary of a recent certification decision, and suggestions to help clients make full use of the Tribunal's services.

Also in the 2007-2008 *Report on Plans and Priorities*, the Tribunal stated that it would look for alternatives to supplement or replace large-scale information sessions for clients, given the limited value of repeating these sessions. The Tribunal undertook to meet one-on-one with producers and artists' associations to exchange information – that is, to provide information about the Tribunal's services and to obtain information about client needs and the degree to which the Tribunal was meeting them.

The targets for informing and assisting clients, and the results, are set out in Table C and discussed below.

Table C — Clients fully informed and assisted

Indicator	*Target*	*Results 2006–2007*	*Results 2007-2008*
Quality and timeliness of information bulletins	At least three information bulletins are issued annually. Clients are satisfied, as determined through client consultation.	Two bulletins were issued. Clients were not surveyed.	One bulletin was issued. Clients in consultation meetings indicated satisfaction.
Quality of the Tribunal's Web site	The Web site contains timely and accurate information and meets GOL (*Government On- Line*) standards. Clients are satisfied (as determined by client survey).	The Web site was significantly amended to focus on client service. Information is timely and accurate. Clients were not surveyed.	The Web site was further developed, and received 42,507 hits. Information is timely and accurate. Clients in consultation meetings indicated satisfaction.
Information needs of clients determined	Consultation meetings are held with at least four artists' associations and four producers.	N/A: this approach was introduced in 2007-2008.	Consultation meetings were held with five artists' associations, two producers, and one producers' association (representing 106 producers).
Accuracy and timeliness of responses to inquiries and requests for information.	Inquiries and requests for information are dealt with within two working days. Clients are satisfied (multi-year average determined by client survey).	65% of inquiries and requests were dealt with within one working day. 85% were dealt with within 2 working days.	19 inquiries and requests were received. 17 were dealt with within one working day, and 2 within 2 working days.

One information bulletin was issued, rather than the targeted three. Information bulletins are intended primarily to advise the public of developments in the Tribunal's core work of dealing with cases brought before it, and one information bulletin was sufficient to address the number of cases. The usefulness of the Tribunal's information bulletins was confirmed in client consultation meetings.

The *Act* is still relatively recent and parties are still learning how to implement it, and this remains a principal communications objective of the Tribunal. Staff members have in the past held information sessions to clarify the obligations and rights of parties in bargaining under the *Act*, and to allow organizations to share their information and experiences with each other. The information sessions have been useful and well-received by clients. Because information sessions were held within the last three years with both artists' associations and producers, presentations were not held in the course of 2007-2008. Rather, the Tribunal's Communications Branch put its emphasis on more informal and focused meetings with clients from both the artists' and producers' communities. These meetings allowed the Tribunal to focus and identify the clients' information needs, and in fact to meet many of these needs during the course of the meetings. Both approaches,

formal presentations and informal meetings, are useful, and the Tribunal will continue to use them both, as appropriate.

The nomination of a new Chairperson for a five-year mandate, which occurred shortly after the end of the 2007-2008 fiscal year, should contribute to the Tribunal's stability and to its favourable perception by its core clientele, the realization of its objective of augmenting the cultural community's awareness of their rights and responsibilities, and the promotion of the Tribunal at large.

The Tribunal receives many inquiries from or on behalf of artists, artists' associations, and producers, concerning, for example, their rights and obligations under the *Status of the Artist Act* or whether their activities fall within the Tribunal's jurisdiction. The Tribunal has undertaken to respond to each request on a timely basis and to assist parties. Accordingly, a performance indicator for the communications function is accuracy and timeliness of responses to enquiries and requests for information. The target of two working days for inquiries and requests for information was consistently met throughout 2007-2008.

Other indicators of progress

Parties resolve differences themselves

The Tribunal also uses other indicators, over multi-year periods, to monitor the achievement of constructive professional relations in the cultural sector. One is the proportion of complaints that are resolved without the necessity of a hearing by the Tribunal. Joint resolution of issues fosters cooperation between artists and producers, and saves time and money for the parties and the Tribunal by reducing the need for costly hearings. Accordingly, the Tribunal encourages parties to resolve as many issues as possible jointly before proceeding to a hearing, and the parties frequently find that they can resolve all the issues jointly. The Tribunal Secretariat provides assistance, where appropriate, through investigation and mediation, and in 2007-2008 emphasized augmenting staff's knowledge and skills in the issues facing the arts sector, so that the staff members are better able to meet the needs of clients.

Table D below shows the progress against this indicator. It should be noted that, as with many performance indicators, this is an approximate measure. Parties will withdraw complaints for various reasons. For example, sometimes the filing of a complaint will in itself bring the parties together to resolve the issue without any intervention of the Tribunal.

Negotiations of scale agreements

The negotiation of scale agreements is another indicator of constructive professional relations. Again, this is an approximate measure. The Tribunal can facilitate negotiations by granting certification, providing information about the *Act*'s provisions for negotiations, and dealing with complaints of failure to bargain in good faith. It has little influence, however, over whether the parties actually pursue negotiations after certification, or over the results of such negotiations. Moreover, because there is no

provision for first contract arbitration in the legislation, parties may be involved in bargaining for years without ever concluding an agreement.

With respect to the negotiation of scale agreements, a lot has been accomplished, if less than hoped for, as shown in Table D. Thirty-five percent of certified artists' associations have negotiated a new scale agreement within 5 years of certification, compared to the expected target of 80 percent. An additional 24 percent have negotiated a new agreement after the five-year target period. Forty-six percent of certified artists' associations have at least one outstanding notice to bargain a new agreement.

Table D — Constructive professional relations

Indicator	*Target*	*Results 1998-1999 to 2007-2008*
Percentage of complaints resolved without a hearing	At least 50% of all complaints are resolved without a hearing.	50% were resolved without a hearing.
Proportion of certified artists' associations with a first agreement within five years of certification.	A minimum of 80% of certified artists' associations negotiated at least one new scale agreement within five years of being certified.	35% have negotiated at least one new scale agreement within five years of certification. Another 24% have negotiated a new scale agreement more than five years after certification.

As the Tribunal has frequently noted in reports to Parliament, amendments to the *Status of the Artist Act* would make the *Act* more effective in achieving expected results. Various amendments recommended in the 2003 evaluation of the *Act*, such as requiring arbitration in specific situations for the settlement of first agreements, would facilitate the goal of successful negotiations following certification.

Financial Management and Leadership

Continued efficiencies

As in previous years, the Tribunal used outsourcing and cost-saving agreements for many services not required on a full-time basis. For example, since the beginning of its operations, the Tribunal has contracted with the Department of Canadian Heritage for human resources services and with Industry Canada for informatics, security and mail services. It has arrangements with two other federal labour boards to use their hearing rooms and library services. It also contracts for the services of a financial analyst. It continues to select multi-skilled, flexible staff capable of handling a wide variety of responsibilities. The Tribunal members are part-time appointees. This is economically efficient on the whole, as they are called on and paid only as needed, although it can make scheduling more difficult. All Tribunal members are currently bilingual, which facilitates scheduling of hearings. The Tribunal continues to provide accommodation and administrative and financial services to Environmental Protection Review Canada, thereby lowering the overall costs to the government.

To improve its operational efficiency and its capability to measure performance, the Tribunal continued to refine its case management database over the course of 2007-2008.

Leadership and management: striving for continuous quality improvement

The Tribunal continued to develop its management practices, working in a cluster group with three other small quasi-judicial agencies, the Competition Tribunal, the Copyright Board and the Transportation Appeal Tribunal. The cluster group focused on implementing the Internal Audit Policy, completing the implementation of the *Public Service Modernization Act*, and implementing the Travel AcXess Voyage Project (part of the Shared Travel Services Initiative).

The Tribunal has a code of values and ethics as well as policies on harassment and the internal disclosure of wrongdoing. It used the latter policy as the basis on which to build, in consultation with the cluster group, the administrative and managerial structures necessary to the implementation of the *Public Service Disclosure Protection Act*. In order to foster good labour-management relations, the Tribunal also participated in an umbrella Labour-Management Consultation Committee for small agencies and micro-agencies.

Using its evaluation framework developed in 2005-2006 and following the guidance of the Centre of Excellence for Evaluation, the Tribunal continued to work on applying the government's evaluation policy in the context of a micro-agency, collecting performance information concerning its responsiveness to requests for assistance, the effectiveness of its communications products, and the timeliness of its case processing.

The Tribunal integrated its human resources and business planning in 2006-2007 by developing a Strategic Human Resources Plan and a Staffing Management Accountability Framework. In 2007-2008, it worked on implementing the Policy on Learning, Training and Development. It also monitored staffing actions in relation to its staffing strategies and plans, although the small number of positions and of staffing actions hardly justifies the term "statistics" and makes identification of trends or tendencies difficult.

The Treasury Board Secretariat assessed the Tribunal's compliance with the Management Accountability Framework (MAF) in 2007-2008, and concluded that the Tribunal adheres to the practices and underlying principles for strong public sector management. It also identified some opportunities for improvement, including better alignment of the language and indicators between the *Report on Plans and Priorities* and *Departmental Performance Report*, annual updates of the Tribunal's risk profile, a review of the Tribunal's information practices to ensure compliance with the *Access to Information Act* and the *Privacy Act*, and attention to succession planning. The Tribunal appreciates the assistance of the TBS in identifying these opportunities for improvement, and is taking measures to address them.

SECTION III – SUPPLEMENTARY INFORMATION

Strategic Outcome: Constructive professional relations between artists and producers in the Tribunal's jurisdiction.				
($ thousands)	**Actual Spending 2007-08**			**Alignment to Government of Canada Outcome Area**
	Budgetary	**Non-budgetary**	**Total**	
Processing of cases	740		740	Vibrant Canadian culture and heritage
Corporate services	315		315	Vibrant Canadian culture and heritage

In encouraging constructive labour relations between self-employed artists and producers in its jurisdiction, the Tribunal expects that artists' income and working conditions will improve, artists will be more likely to pursue their careers in the arts, and producers will have an adequate pool of talented and trained artists. Thus, the Tribunal's strategic objective aligns with the Government's intended outcome of a vibrant Canadian culture and heritage.

Table 1: Comparison of Planned to Actual Spending (including FTEs)

($ thousands)			**2007–2008**			
	2005–06 Actual	**2006-07 Actual**	**Main Estimates**	**Planned Spending**	**Total Authorities**	**Total Actuals**
Processing of cases	1086	1341	1940	1940	1996	1055
Total	1086	1341	1940	1940	1996	1055
Less: Non-respendable revenue						
Plus: Cost of services received without charge	397	405		422		422
Total Tribunal Spending	1483	1746	1940	2362	1996	1477
Full-time Equivalents	10	10		10		10

Table 2: Voted and Statutory Items

($ 000s) Vote or Statutory Item	Truncated Vote or Statutory Wording	2007–08 Main Estimates	2007–08 Planned Spending	2007–08 Total Authorities	2007–08 Total Actuals
20	Operating expenditures	1770	1770	1894	953
(S)	Contributions to employee benefit plans	170	170	102	102
	Total	1940	1940	1996	1055

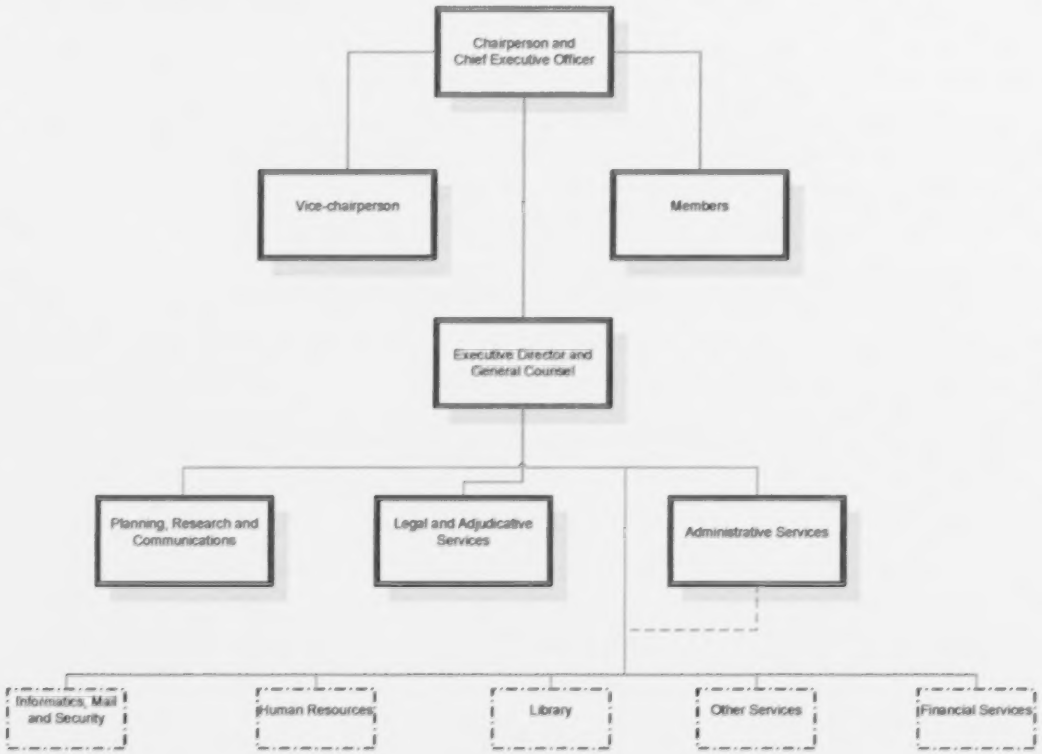
SECTION IV – OTHER INFORMATION OF INTEREST

Organizational Information

The Tribunal is currently composed of a Chairperson (who is also the chief executive officer), a Vice-chairperson and one other member. Members are appointed by the Governor in Council. All three members are part-time appointees.

The Executive Director and General Counsel heads the Tribunal Secretariat and reports to the Chairperson. Ten staff members (when the Secretariat is fully staffed) carry out the functions of legal counsel, registrar, planning, research, communications, and administrative services. The Tribunal outsources some standard corporate services that are not required full time, such as informatics and human resources. Figure 2 illustrates the Tribunal's organizational structure.

Figure 2. Organization Chart



Services provided on contract or by other arrangements (Please see Section II, Financial Management and Comptrollership, for more detail)

Contact for Further Information

Canadian Artists and Producers Professional Relations Tribunal
240 Sparks Street, 1st Floor West
Ottawa, Ontario K1A 1A1

Telephone: (613) 996-4052 or 1-800-263-2787
Fax: (613) 947-4125
E-mail: info@capprt-tcrpap.gc.ca

Web site: www.capprt-tcrpap.gc.ca

Legislation Administered and Associated Regulations

An Act respecting the status of the artist and professional relations between artists and producers in Canada (Short Title: *Status of the Artist Act)*	S.C. 1992, c.33, as amended
Status of the Artist Act Professional Category Regulations	SOR 99/191
Canadian Artists and Producers Professional Relations Tribunal Procedural Regulations	SOR/2003-343

SECTION V – FINANCIAL STATEMENTS

CANADIAN ARTISTS AND PRODUCERS PROFESSIONAL RELATIONS TRIBUNAL

Statement of Management Responsibility

Responsibility for the integrity and objectivity of the accompanying financial statements of the Canadian Artists and Producers Professional Relations Tribunal (Tribunal) for the year ended March 31, 2008 and all information contained in these statements rests with the Tribunal's management. These financial statements have been prepared by management in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector.

Management is responsible for the integrity and objectivity of the information in these financial statements. Some of the information in the financial statements is based on management's best estimates and judgment and gives due consideration to materiality. To fulfill its accounting and reporting responsibilities, management maintains a set of accounts that provides a centralized record of the Tribunal's financial transactions. Financial information submitted to the *Public Accounts of Canada* and included in the Tribunal's *Departmental Performance Report* is consistent with these financial statements.

Management maintains a system of financial management and internal control designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are in accordance with the *Financial Administration Act,* are executed in accordance with prescribed regulations, within Parliamentary authorities, and are properly recorded to maintain accountability of Government funds. Management also seeks to ensure the objectivity and integrity of data in its financial statements by careful selection, training and development of qualified staff, by organizational arrangements that provide appropriate divisions of responsibility, and by communication programs aimed at ensuring that regulations, policies, standards and managerial authorities are understood throughout the Tribunal.

The financial statements of the Tribunal have not been audited.

Sébastien Dhavernas
Chairperson and Chief Executive Officer

Diane Chartrand
Senior Financial Officer

Ottawa, Canada
Date:

CANADIAN ARTISTS AND PRODUCERS PROFESSIONAL RELATIONS TRIBUNAL

Statement of Operations *(unaudited)*

For the Year Ended March 31

(in dollars)

	2008	2007
Expenses		
Processing of applications		
Salaries and employee benefits	$ 738,224	$ 968,681
Accommodation	358,040	332,960
Professional and special services	242,850	218,018
Transportation and telecommunications	52,697	74,925
Information	21,253	14,103
Amortization of tangible capital assets	19,874	11,034
Rentals	18,670	20,351
Utilities, materials and supplies	16,071	35,070
Repair and maintenance	2,693	19,516
Net cost of operations	$ 1,470,372	$ 1,694,658

The accompanying notes are an integral part of these financial statements.

CANADIAN ARTISTS AND PRODUCERS PROFESSIONAL RELATIONS TRIBUNAL

Statement of Financial Position *(Unaudited)*

At March 31

(in dollars)

	2008	2007
Assets		
		Restated See Note 8
Financial assets		
Accounts receivable and advances (note 4)	$ 73,651	$ 62,798
Prepaid expenses	5,115	-
Total financial assets	78,766	62,798
Non-financial assets		
Tangible capital assets (note 5)	16,705	39,253
TOTAL	$ 95,471	$ 102,051
Liabilities		
Accounts payable and accrued liabilities	$ 67,063	$ 92,945
Vacation pay and compensatory leave	34,594	33,767
Employee severance benefits (note 6)	90,467	115,354
Total liabilities	$ 192,124	$ 242,066
Equity of Canada	(96,653)	(140,015)
TOTAL	$ 95,471	$ 102,051

The accompanying notes are an integral part of these financial statements.

CANADIAN ARTISTS AND PRODUCERS PROFESSIONAL RELATIONS TRIBUNAL

Statement of Equity of Canada *(unaudited)*
At March 31
(in dollars)

	2008	2007 Restated See Note 8
Equity of Canada, beginning of year	$ (140,015)	$ (86,283)
Net cost of operations	(1,470,372)	(1,694,658)
Current year appropriations used (note 3)	1,054,629	1,340,909
Change in net position in the Consolidated Revenue Fund (Note 3)	36,735	(105,423)
Services provided without charge by other government departments (note 7)	422,370	405,440
Equity of Canada, end of year	$ (96,653)	$ (140,015)

The accompanying notes are an integral part of these financial statements.

CANADIAN ARTISTS AND PRODUCERS PROFESSIONAL RELATIONS TRIBUNAL

Statement of Cash Flow (unaudited)

For the year ended March 31

(in dollars)

	2008	2007
Operating Activities		
Net cost of operations	$ 1,470,372	$ 1,694,658
Non-cash items:		
Amortization of tangible capital assets (note 5)	(19,874)	(11,034)
Services provided without charge by other government departments (note 7)	(422,370)	(405,440)
Variations in Statement of Financial Position		
Increase (decrease) in accounts receivable and advances	10,853	(93,946)
Increase in prepaid expenses	5,115	-
Decrease (increase) in liabilities	49,942	21,002
Cash used by operating activities	$ 1,094,038	$ 1,205,240
Capital investment activities		
Acqusitions of tangible capital assets	-	30,246
Proceeds from the disposal of tangible capital assets	(2,674)	-
Cash used by capital investment activities	(2,674)	30,246
Financing Activities		
Net cash provided by Government of Canada	$ (1,091,364)	$ (1,235,486)

The accompanying notes are an integral part of these financial statements.

CANADIAN ARTISTS AND PRODUCERS PROFESSIONAL RELATIONS TRIBUNAL

Notes to the Financial Statements (unaudited)

1. Authority and Objectives

The Canadian Artists and Producers Professional Relations Tribunal (Tribunal) is the independent, quasi-judicial adjudicative tribunal created in 1993 by the *Status of the Artist Act*. Its mandate is to define the sectors of cultural activity subject to federal jurisdiction that are suitable for collective bargaining, to certify artists' associations to represent independent entrepreneurs working in these sectors, to hear and decide complaints of unfair practices filed by artists, artists' associations and producers, and, to prescribe appropriate remedies for contraventions of the *Status of the Artist Act*.

2. Summary of Significant Accounting Policies

The financial statements have been prepared in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector.

Significant accounting policies are as follows:

(a) Parliamentary appropriations

The Tribunal is financed by the Government of Canada through Parliamentary appropriations. Appropriations provided to the Tribunal do not parallel financial reporting according to generally accepted accounting principles since appropriations are primarily based on cash flow requirements. Consequently, items recognized in the statement of operations and the statement of financial position are not necessarily the same as those provided through appropriations from Parliament. Note 3 provides a high-level reconciliation between the two bases of reporting.

(b) Net cash provided by Government

The Tribunal operates within the Consolidated Revenue Fund (CRF) which is administered by the Receiver General for Canada. All cash received by the Tribunal is deposited to the CRF and all cash disbursements made by the Tribunal are paid from the CRF. Net cash provided by government is the difference between all cash receipts and all cash disbursements including transactions between departments of the federal government.

(c) Change in net position in the consolidated revenue fund

The change is the difference between the net cash provided by Government and appropriations used in a year. It results from timing differences between when a transaction affects appropriations and when it is processed through the CRF.

(d) Expenses

Expenses are recorded on the accrual basis:

- Vacation pay and compensatory leave are expensed as the benefits accrue to employees under their respective terms of employment.

- Services provided without charge by other government departments for accommodation and the employer's contribution to the health and dental insurance plans are recorded as operating expenses at their estimated cost.

(e) Employee future benefits

i. Pension benefits: Eligible employees participate in the Public Service Pension Plan, a multiemployer administered by the Government of Canada. The Tribunal's contributions to the Plan are charged to expenses in the year incurred and represent the total Tribunal obligation to the Plan. Current legislation does not require the Tribunal to make contributions for any actuarial deficiencies of the Plan.

ii. Severance benefits: Employees are entitled to severance benefits under labour contracts or conditions of employment. These benefits are accrued as employees render the services necessary to earn them. The obligation relating to the benefits earned by employees is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole.

(f) Accounts receivable and advances

Accounts receivable and advances are stated at amounts expected to be ultimately realized; a provision is made for receivables where recovery is considered uncertain.

(g) Tangible capital assets

All tangible capital assets and leasehold improvements having an initial cost of $3,000 or more are recorded at their acquisition cost. The Tribunal does not capitalize intangibles, works of art and historical treasures that have cultural, aesthetic or historical value, assets located on Indian Reserves and museum collections.

Amortization of tangible capital assets is done on a straight-line basis over the estimated useful life of the asset as follows:

Asset Class	Amortization Period
Informatics hardware	3 years
Other equipment	5 years

(h) Measurement uncertainty

The preparation of these financial statements in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and expenses reported in the financial statements. At the time of preparation of these statements, management believes the estimates and assumptions to be reasonable. The most significant items where estimates are used are the liability for employee severance benefits and the useful life of tangible capital assets. Actual results could significantly differ from those estimated. Management's estimates are reviewed periodically and, as adjustments become necessary, they are recorded in the financial statements in the year they become known.

3. Parliamentary appropriations

The Tribunal receives its funding through annual Parliamentary appropriations. Items recognized in the statement of operations and the statement of financial position in one year may be funded through Parliamentary appropriations in prior, current or future years. Accordingly, the Tribunal has different net results of operations for the year on a government

funding basis than on an accrual accounting basis. The differences are reconciled in the following tables:

(a) Reconciliation of net cost of operations to current year appropriations used:

	2008	2007
	(in dollars)	
Net cost of operations	1,470,372	$1,694,658
Adjustments for items affecting net cost of operations but not affecting appropriations		
Add (Less):		
Services provided without charge by other government departments	(422,370)	(405,440)
Amortization of tangible capital assets	(19,874)	(11,034)
Decrease in employee severance benefits liability	24,887	43,072
Decrease (increase) in vacation pay and compensatory leave liability	(827)	4,707
Other - loss on disposal of assets	(2,674)	(15,300)
	1,049,514	1,310,663
Adjustments for items not affecting net cost of operations but affecting appropriations		
Add: Tangible capital assets acquisition	-	30,246
Prepaid expenses	5,115	-
Current year appropriations used	1,054,629	$1,340,909

(b) Appropriations provided and used

	Appropriations Provided	
	2008	2007
	(in dollars)	
Vote 20 - Operating expenditures	$1,893,850	$1,773,000
Statutory amounts	101,729	126,830
Less:		
Lapsed appropriations: Operating	(940,950)	(558,921)
Current year appropriations used	$1,054,629	$1,340,909

(c) Reconciliation of net cash provided by Government to current year appropriations used

	2008	2007
	(in dollars)	
Net cash provided by Government	$1,091,364	$1,235,486
Change in net position in the Consolidated Revenue Fund		
Decrease (increase) in accounts receivable and advances	(10,853)	93,946
Increase (decrease) in accounts payable and accrued liabilities	(25,882)	26,777
Other adjustments	-	(15,300)
	(36,735)	105,423
Current year appropriations used	$1,054,629	$1,340,909

4. Accounts Receivable and Advances

The following table presents details of accounts receivable and advances:

	2008	2007
	(in dollars)	
		RESTATED NOTE 8
Receivables from other Federal Government departments and agencies	$70,633	$59,780
Receivables from external parties	2,218	2,218
Employee advances	800	800
Total	$73,651	$62,798

5. Tangible Capital Assets

(in dollars)

	Cost			
	Opening Balance	Acquisitions	Disposals and write-offs	Closing Balance
Capital Asset Class				
Informatics Hardware	209,100		(164,351)	44,749
Other Equipment	83,207		(23,690)	59,517
Total	292,307	-	(188,041)	104,266

	Accumulated Amortization			
	Opening Balance	Amortization	Disposals and write-offs	Closing Balance
Informatics Hardware	186,671	8,989	(162,997)	32,663
Other Equipment	66,383	10,885	(22,370)	54,898
Total	253,053	19,874	(185,367)	87,561

	Net Book Value	
	2008	2007
Informatics Hardware	12,086	22,430
Other Equipment	4,619	16,823
Total	16,705	39,253

Amortization expense for the year ended March 31, 2008 is $19,874 (2007 is $11,034).

6. Employee Benefits

a) Pension benefits

The Tribunal's employees participate in the Public Service Pension Plan, which is sponsored and administered by the Government of Canada. Pension benefits accrue up to a maximum period of 35 years at a rate of 2 percent per year of pensionable service, times the average of the best five consecutive years of earnings. The benefits are integrated with Canada/Quebec Pension Plans benefits and they are indexed to inflation

Both the employees and the department contribute to the cost of the Plan. The 2007-08 expense amounts to $155,736 ($126,830 in 2006-07) which represents approximately times 2.1 times (2.2 times in 2006-07) the contributions by employees

The Tribunal's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, as the Plan's sponsor.

b) Employee severance benefits

The Tribunal provides severance benefits to its employees based on eligibility, years of service and final salary. These severance benefits are not pre-funded. Benefits will be paid from future appropriations. Information about the severance benefits, measured as at March, is as follows:

	2008	2007
	(in dollars)	
Accrued benefit obligation, beginning of the year	115,354	158,426
Expense for the year	(24,887)	(43,072)
Benefits paid during the year		
Accrued benefit obligation, end of the year	90,467	115,354

7. Related party transactions

The Tribunal is related as a result of common ownership to all Government of Canada departments, agencies and Crown Corporations. The Tribunal enters into transactions with these entities in the normal course of business and on normal trade terms. Also, during the year, the Tribunal received services which were obtained without charge from other Government departments as presented in part (a).

a) Services provided without charge:

During the year, the Tribunal received services that were obtained without charge from other government departments and agencies. The following are the most significant types of services provided without charge:

	2008	2007
	(in dollars)	
Accommodation	$358,040	$332,960
Employer's contribution to the health and dental insurance plans	$64,330	72,480
Total	$422,370	$405,440

The Government has structured some of its administrative activities for efficiency and cost-effectiveness purposes so that one department performs these on behalf of all without charge. The cost of these services, which include payroll and cheque issuance services provided by Public Works and Government Services Canada, are not included as an expense in the Tribunal's Statement of Operations.

b) Payables outstanding at year-end with related parties:

	2008	2007
	(in dollars)	
Accounts payable to other government departments and agencies	$17,763	$24,864

8. Restated financial information

The Tribunal identified overstated accounts receivable for the year ended March 31, 2007 was overstated by $27,271. As a result, the comparative financial information has been adjusted to reflect these changes. In the Statement of Financial Position, accounts receivable and advances decreased by $27,271 and in the Statement of Equity of Canada, beginning of the year decreased by $27,271.